

		FOR OHF USE					

LL 1

2002
STATE OF ILLINOIS
DEPARTMENT OF PUBLIC AID
FINANCIAL AND STATISTICAL REPORT FOR
LONG-TERM CARE FACILITIES
(FISCAL YEAR 2002)

IMPORTANT NOTICE
 THIS AGENCY IS REQUESTING DISCLOSURE OF INFORMATION
 THAT IS NECESSARY TO ACCOMPLISH THE STATUTORY
 PURPOSE AS OUTLINED IN 210 ILCS 45/3-208. DISCLOSURE
 OF THIS INFORMATION IS MANDATORY. FAILURE TO PROVIDE
 ANY INFORMATION ON OR BEFORE THE DUE DATE WILL
 RESULT IN CESSATION OF PROGRAM PAYMENTS. THIS FORM
 HAS BEEN APPROVED BY THE FORMS MANAGEMENT CENTER.

I. IDPH Facility ID Number: <u>0039768</u>		II. CERTIFICATION BY AUTHORIZED FACILITY OFFICER	
Facility Name: <u>Lexington of Lake Zurich</u>		I have examined the contents of the accompanying report to the State of Illinois, for the period from <u>01/01/02</u> to <u>12/31/02</u> and certify to the best of my knowledge and belief that the said contents are true, accurate and complete statements in accordance with applicable instructions. Declaration of preparer (other than provider) is based on all information of which preparer has any knowledge.	
Address: <u>930 South Rand Road</u> <u>Lake Zurich</u> <u>60047</u> Number City Zip Code		Intentional misrepresentation or falsification of any information in this cost report may be punishable by fine and/or imprisonment.	
County: <u>Lake</u>		(Signed) _____ (Date) _____	
Telephone Number: <u>(847) 726-1200</u> Fax # <u>(847) 726-1265</u>		(Type or Print Name) _____	
IDPA ID Number: <u>363748801001</u>		(Title) _____	
Date of Initial License for Current Owners: <u>8/20/94</u>		(Signed) <u>SEE ACCOUNTANTS' COMPILATION REPORT</u> (Date) _____	
Type of Ownership:		(Print Name and Title) _____	
<input type="checkbox"/> VOLUNTARY, NON-PROFIT		(Firm Name & Address) <u>Altschuler, Melvoin and Glasser, LLP</u> <u>One South Wacker Drive, Suite 800, Chicago, IL 60606</u>	
<input type="checkbox"/> Charitable Corp.		(Telephone) <u>(312) 634-3400</u> Fax # <u>(312) 634-5518</u>	
<input type="checkbox"/> Trust		MAIL TO: OFFICE OF HEALTH FINANCE ILLINOIS DEPARTMENT OF PUBLIC AID 201 S. Grand Avenue East Springfield, IL 62763-0001 Phone # (217) 782-1630	
IRS Exemption Code _____		SEE ACCOUNTANTS' COMPILATION REPORT	
<input checked="" type="checkbox"/> PROPRIETARY			
<input type="checkbox"/> GOVERNMENTAL			
<input type="checkbox"/> Individual			
<input type="checkbox"/> Partnership			
<input type="checkbox"/> Corporation			
<input checked="" type="checkbox"/> "Sub-S" Corp.			
<input type="checkbox"/> Limited Liability Co.			
<input type="checkbox"/> Trust			
<input type="checkbox"/> Other			
In the event there are further questions about this report, please contact: Name: <u>Charles J. Fischer</u> Telephone Number: <u>(312) 634-3400</u> Please send copies of desk review and audit adjustments to address on this page			

Facility Name & ID Number Lexington of Lake Zurich# 0039768 Report Period Beginning: 01/01/02 Ending: 12/31/02

III. STATISTICAL DATA

A. Licensure/certification level(s) of care; enter number of beds/bed days,
(must agree with license). Date of change in licensed bedsN/A

	1	2	3	4	
	Beds at Beginning of Report Period	Licensure Level of Care	Beds at End of Report Period	Licensed Bed Days During Report Period	
1	<u>203</u>	Skilled (SNF)	<u>203</u>	<u>74,095</u>	1
2		Skilled Pediatric (SNF/PED)			2
3		Intermediate (ICF)			3
4		Intermediate/DD			4
5		Sheltered Care (SC)			5
6		ICF/DD 16 or Less			6
7	<u>203</u>	TOTALS	<u>203</u>	<u>74,095</u>	7

B. Census-For the entire report period.

	1	2	3	4	5	
	Level of Care	Patient Days by Level of Care and Primary Source of Payment				
		Public Aid Recipient	Private Pay	Other	Total	
8	SNF	<u>12,846</u>	<u>5,987</u>	<u>7,926</u>	<u>26,759</u>	8
9	SNF/PED					9
10	ICF	<u>28,381</u>	<u>4,996</u>	<u>1,164</u>	<u>34,541</u>	10
11	ICF/DD					11
12	SC					12
13	DD 16 OR LESS					13
14	TOTALS	<u>41,227</u>	<u>10,983</u>	<u>9,090</u>	<u>61,300</u>	14

C. Percent Occupancy. (Column 5, line 14 divided by total licensed
bed days on line 7, column 4.) 82.73%

D. How many bed-hold days during this year were paid by Public Aid?

0 (Do not include bed-hold days in Section B.)E. List all services provided by your facility for non-patients.
(E.g., day care, "meals on wheels", outpatient therapy)None

F. Does the facility maintain a daily midnight census?

YesG. Do pages 3 & 4 include expenses for services or
investments not directly related to patient care?YES ☒NO ☐Non-allowable costs have been
eliminated in Schedule V, Column 7.

H. Does the BALANCE SHEET (page 17) reflect any non-care assets?

YES ☐NO ☒

I. On what date did you start providing long term care at this location?

Date started 8/20/94

J. Was the facility purchased or leased after January 1, 1978?

YES ☐Date New constructionNO ☒

K. Was the facility certified for Medicare during the reporting year?

YES ☒NO ☐If YES, enter number
of beds certified 41 and days of care provided 7,469Medicare Intermediary AdminaStar Federal

IV. ACCOUNTING BASIS

ACCRUAL ☒

MODIFIED

CASH* ☐CASH* ☐

Is your fiscal year identical to your tax year?

YES ☒NO ☐Tax Year: 12/31/02 Fiscal Year: 12/31/02

* All facilities other than governmental must report on the accrual basis.

SEE ACCOUNTANTS' COMPILATION REPORT

STATE OF ILLINOIS

Page 3

Facility Name & ID Number Lexington of Lake Zurich

0039768

Report Period Beginning:

01/01/02

Ending:

12/31/02

V. COST CENTER EXPENSES (throughout the report, please round to the nearest dollar)

	Operating Expenses	Costs Per General Ledger				Reclass-ification 5	Reclassified Total 6	Adjust-ments 7**	Adjusted Total 8	FOR OHF USE ONLY		
		Salary/Wage 1	Supplies 2	Other 3	Total 4					9	10	
	A. General Services											
1	Dietary	279,177	43,041	9,979	332,197		332,197		332,197			1
2	Food Purchase		251,848		251,848		251,848	(11,025)	240,823			2
3	Housekeeping	265,747	33,015		298,762		298,762	698	299,460			3
4	Laundry	56,890	21,041		77,931		77,931	(5,475)	72,456			4
5	Heat and Other Utilities			189,858	189,858		189,858	3,731	193,589			5
6	Maintenance	74,736		117,481	192,217		192,217	1,728	193,945			6
7	Other (specify):*											7
8	TOTAL General Services	676,550	348,945	317,318	1,342,813		1,342,813	(10,343)	1,332,470			8
	B. Health Care and Programs											
9	Medical Director			27,250	27,250		27,250		27,250			9
10	Nursing and Medical Records	2,654,870	222,781	7,882	2,885,533		2,885,533		2,885,533			10
10a	Therapy			634,428	634,428		634,428		634,428			10a
11	Activities	202,639	15,761	3,384	221,784		221,784		221,784			11
12	Social Services	75,337		2,813	78,150		78,150		78,150			12
13	Nurse Aide Training											13
14	Program Transportation											14
15	Other (specify):*											15
16	TOTAL Health Care and Programs	2,932,846	238,542	675,757	3,847,145		3,847,145		3,847,145			16
	C. General Administration											
17	Administrative	198,294		364,887	563,181		563,181	(364,887)	198,294			17
18	Directors Fees											18
19	Professional Services			54,789	54,789		54,789	397	55,186			19
20	Dues, Fees, Subscriptions & Promotions			91,678	91,678		91,678	1,397	93,075			20
21	Clerical & General Office Expenses	442,193	37,249	26,437	505,879		505,879	17,154	523,033			21
22	Employee Benefits & Payroll Taxes			516,649	516,649		516,649	65,641	582,290			22
23	Inservice Training & Education			823	823		823		823			23
24	Travel and Seminar			2,504	2,504		2,504	2,929	5,433			24
25	Other Admin. Staff Transportation			220	220		220	9,606	9,826			25
26	Insurance-Prop.Liab.Malpractice			182,590	182,590		182,590	3,192	185,782			26
27	Other (specify):*											27
28	TOTAL General Administration	640,487	37,249	1,240,577	1,918,313		1,918,313	(264,571)	1,653,742			28
29	TOTAL Operating Expense (sum of lines 8, 16 & 28)	4,249,883	624,736	2,233,652	7,108,271		7,108,271	(274,914)	6,833,357			29

*Attach a schedule if more than one type of cost is included on this line, or if the total exceeds \$1000.

SEE ACCOUNTANTS' COMPILATION REPORT

NOTE: Include a separate schedule detailing the reclassifications made in column 5. Be sure to include a detailed explanation of each reclassification.

**See schedule of adjustments attached at end of cost report.

V. COST CENTER EXPENSES (continued)

	Capital Expense	Cost Per General Ledger				Reclass- ification 5	Reclassified Total 6	Adjust- ments 7**	Adjusted Total 8	FOR OHF USE ONLY		
		Salary/Wage 1	Supplies 2	Other 3	Total 4					9	10	
	D. Ownership											
30	Depreciation			34,394	34,394		34,394	232,867	267,261			30
31	Amortization of Pre-Op. & Org.											31
32	Interest			47,300	47,300		47,300	357,378	404,678			32
33	Real Estate Taxes							167,981	167,981			33
34	Rent-Facility & Grounds			1,365,884	1,365,884		1,365,884	(1,365,884)				34
35	Rent-Equipment & Vehicles			2,516	2,516		2,516	4,411	6,927			35
36	Other (specify):*											36
37	TOTAL Ownership			1,450,094	1,450,094		1,450,094	(603,247)	846,847			37
	Ancillary Expense											
	E. Special Cost Centers											
38	Medically Necessary Transportation											38
39	Ancillary Service Centers		165,387	46,200	211,587		211,587		211,587			39
40	Barber and Beauty Shops			27,327	27,327		27,327		27,327			40
41	Coffee and Gift Shops			5,919	5,919		5,919		5,919			41
42	Provider Participation Fee			111,143	111,143		111,143		111,143			42
43	Other (specify):* Nonallowable Costs			87,273	87,273		87,273	(87,273)				43
44	TOTAL Special Cost Centers		165,387	277,862	443,249		443,249	(87,273)	355,976			44
45	GRAND TOTAL COST (sum of lines 29, 37 & 44)	4,249,883	790,123	3,961,608	9,001,614		9,001,614	(965,434)	8,036,180			45

*Attach a schedule if more than one type of cost is included on this line, or if the total exceeds \$1000.

** See schedule of adjustments attached at end of cost report.

SEE ACCOUNTANTS' COMPILATION REPORT

VI. ADJUSTMENT DETAIL A. The expenses indicated below are non-allowable and should be adjusted out of Schedule V, pages 3 or 4 via column 7.
 In column 2 below, reference the line on which the particular cost was included. (See instructions.)

	1	2	3	
	Amount	Refer-	OHF USE	
		ence	ONLY	
NON-ALLOWABLE EXPENSES				
1 Day Care	\$		\$	1
2 Other Care for Outpatients				2
3 Governmental Sponsored Special Programs				3
4 Non-Patient Meals	(280)	2		4
5 Telephone, TV & Radio in Resident Rooms				5
6 Rented Facility Space				6
7 Sale of Supplies to Non-Patients				7
8 Laundry for Non-Patients	(5,475)	4		8
9 Non-Straightline Depreciation				9
10 Interest and Other Investment Income				10
11 Discounts, Allowances, Rebates & Refunds				11
12 Non-Working Officer's or Owner's Salary				12
13 Sales Tax	(985)	43		13
14 Non-Care Related Interest	(47,300)	32		14
15 Non-Care Related Owner's Transactions				15
16 Personal Expenses (Including Transportation)				16
17 Non-Care Related Fees				17
18 Fines and Penalties				18
19 Entertainment				19
20 Contributions				20
21 Owner or Key-Man Insurance				21
22 Special Legal Fees & Legal Retainers				22
23 Malpractice Insurance for Individuals				23
24 Bad Debt	(73,379)	43		24
25 Fund Raising, Advertising and Promotional	(12,909)	43		25
26 Income Taxes and Illinois Personal Property Replacement Tax				26
27 Nurse Aide Training for Non-Employees				27
28 Yellow Page Advertising				28
29 Other-Attach Schedule See attached Schedule A	(15,003)			29
30 SUBTOTAL (A): (Sum of lines 1-29)	\$ (155,331)		\$	30

OHF USE ONLY						
48		49		50		51
						52

B. If there are expenses experienced by the facility which do not appear in the general ledger, they should be entered below.(See instructions.)

	1	2	
	Amount	Reference	
31 Non-Paid Workers-Attach Schedule*	\$		31
32 Donated Goods-Attach Schedule*			32
33 Amortization of Organization & Pre-Operating Expense			33
34 Adjustments for Related Organization Costs (Schedule VII)	(810,103)		34
35 Other- Attach Schedule			35
36 SUBTOTAL (B): (sum of lines 31-35)	\$ (810,103)		36
(sum of SUBTOTALS			
37 TOTAL ADJUSTMENTS (A) and (B))	\$ (965,434)		37

*These costs are only allowable if they are necessary to meet minimum licensing standards. Attach a schedule detailing the items included on these lines.

C. Are the following expenses included in Sections A to D of pages 3 and 4? If so, they should be reclassified into Section E. Please reference the line on which they appear before reclassification.
 (See instructions.)

	1	2	3	4	
	Yes	No	Amount	Reference	
38 Medically Necessary Transport.		x	\$		38
39					39
40 Gift and Coffee Shops		x			40
41 Barber and Beauty Shops		x			41
42 Laboratory and Radiology		x			42
43 Prescription Drugs		x			43
44 Exceptional Care Program		x			44
45 Other-Attach Schedule		x			45
46 Other-Attach Schedule		x			46
47 TOTAL (C): (sum of lines 38-46)			\$		47

SEE ACCOUNTANTS' COMPILATION REPORT

Lexington of Lake Zurich

ID# 0039768

Report Period Beginning: 01/01/02

Ending: 12/31/02

Sch. V Line

NON-ALLOWABLE EXPENSES		Amount	Reference
1		\$	1
2			2
3			3
4			4
5			5
6			6
7			7
8			8
9			9
10			10
11			11
12			12
13			13
14			14
15			15
16			16
17			17
18			18
19			19
20			20
21			21
22			22
23			23
24			24
25			25
26			26
27			27
28			28
29			29
30			30
31			31
32			32
33			33
34			34
35			35
36			36
37			37
38			38
39			39
40			40
41			41
42			42
43			43
44			44
45			45
46			46
47			47
48			48
49	Total	0	49

Lexington of Lake Zurich
Provider # 0039768
1/1/02 - 12/31/02

Schedule A

Schedule VI. Adjustment detail
Line 29, Other

Description	Amount	Reference
Nonallowable collections	(4,971)	19
Out of period professional fees	(4,437)	19
Nonallowable Chamber of Commerce dues	(460)	20
Deferred maintenance amort.	701	6
Disallow nonallowable miscellaneous expense	(5,586)	21
Offset miscellaneous income	(250)	21
Total	<u>(15,003)</u>	

See Accountants' Compilation Report

STATE OF ILLINOIS

Summary A

Facility Name & ID Number Lexington of Lake Zurich# 0039768

Report Period Beginning:

01/01/02

Ending:

12/31/02

SUMMARY OF PAGES 5, 5A, 6, 6A, 6B, 6C, 6D, 6E, 6F, 6G, 6H AND 6I

	Operating Expenses	PAGES 5 & 5A	PAGE 6	PAGE 6A	PAGE 6B	PAGE 6C	PAGE 6D	PAGE 6E	PAGE 6F	PAGE 6G	PAGE 6H	PAGE 6I	SUMMARY TOTALS (to Sch V, col.7)	
	A. General Services													
1	Dietary	0	0	0	0	0	0	0	0	0	0	0	0	1
2	Food Purchase	(280)	0	0	0	0	0	0	0	0	0	0	(280)	2
3	Housekeeping	0	0	698	0	0	0	0	0	0	0	0	698	3
4	Laundry	(5,475)	0	0	0	0	0	0	0	0	0	0	(5,475)	4
5	Heat and Other Utilities	0	0	3,731	0	0	0	0	0	0	0	0	3,731	5
6	Maintenance	0	0	1,027	0	0	0	0	0	0	0	0	1,027	6
7	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	7
8	TOTAL General Services	(5,755)	0	5,456	0	0	0	0	0	0	0	0	(299)	8
	B. Health Care and Programs													
9	Medical Director	0	0	0	0	0	0	0	0	0	0	0	0	9
10	Nursing and Medical Records	0	0	0	0	0	0	0	0	0	0	0	0	10
10a	Therapy	0	0	0	0	0	0	0	0	0	0	0	0	10a
11	Activities	0	0	0	0	0	0	0	0	0	0	0	0	11
12	Social Services	0	0	0	0	0	0	0	0	0	0	0	0	12
13	Nurse Aide Training	0	0	0	0	0	0	0	0	0	0	0	0	13
14	Program Transportation	0	0	0	0	0	0	0	0	0	0	0	0	14
15	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	15
16	TOTAL Health Care and Programs	0	0	0	0	0	0	0	0	0	0	0	0	16
	C. General Administration													
17	Administrative	0	0	0	(364,887)	0	0	0	0	0	0	0	(364,887)	17
18	Directors Fees	0	0	0	0	0	0	0	0	0	0	0	0	18
19	Professional Services	0	126	9,679	0	0	0	0	0	0	0	0	9,805	19
20	Fees, Subscriptions & Promotions	0	0	1,857	0	0	0	0	0	0	0	0	1,857	20
21	Clerical & General Office Expenses	0	75	22,915	0	0	0	0	0	0	0	0	22,990	21
22	Employee Benefits & Payroll Taxes	0	0	54,896	0	0	0	0	0	0	0	0	54,896	22
23	Inservice Training & Education	0	0	0	0	0	0	0	0	0	0	0	0	23
24	Travel and Seminar	0	0	2,929	0	0	0	0	0	0	0	0	2,929	24
25	Other Admin. Staff Transportation	0	0	0	9,606	0	0	0	0	0	0	0	9,606	25
26	Insurance-Prop.Liab.Malpractice	0	0	0	3,192	0	0	0	0	0	0	0	3,192	26
27	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	27
28	TOTAL General Administration	0	201	92,276	(352,089)	0	0	0	0	0	0	0	(259,612)	28
29	TOTAL Operating Expense (sum of lines 8,16 & 28)	(5,755)	201	97,732	(352,089)	0	0	0	0	0	0	0	(259,911)	29

Summary B

12/31/02

[illegible]

Facility Name & ID Number Lexington of Lake Zurich# 0039768

Report Period Beginning:

01/01/02

Ending:

12/31/02

VII. RELATED PARTIES

A. Enter below the names of ALL owners and related organizations (parties) as defined in the instructions. Attach an additional schedule if necessary.

1 OWNERS		2 RELATED NURSING HOMES		3 OTHER RELATED BUSINESS ENTITIES		
Name	Ownership %	Name	City	Name	City	Type of Business
James Samatas Discretionary Trust	33.33%			Lexington Health Care Systems of		
John Samatas Discretionary Trust	33.33%	See attached Schedule B		Lake Zurich Ltd Ptsp	Lake Zurich	Real estate ptsp.
Cynthia Thiem Discretionary Trust	33.34%			Royal Mgmt. Corp.	Lombard	Mgmt. Co.
				Lexington Financial		
				Services, L.L.C. II	Lombard	Finance Co.

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. ☒ YES ☐ NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1	2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference:
Schedule V	Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization	Adjustments for Related Organization Costs (7 minus 4)
1	V	34 Rental expense	\$ 1,365,884	Lexington Health Care Systems of Lake Zurich Ltd Ptsp	**	\$	\$ (1,365,884) 1
2	V	19 Professional fees		Lexington Health Care Systems of Lake Zurich Ltd Ptsp	**	126	126 2
3	V	21 Bank charges		Lexington Health Care Systems of Lake Zurich Ltd Ptsp	**	75	75 3
4	V	30 Depreciation		Lexington Health Care Systems of Lake Zurich Ltd Ptsp	**	206,988	206,988 4
5	V	32 Interest expense		Lexington Health Care Systems of Lake Zurich Ltd Ptsp	**	396,913	396,913 5
6	V	32 Amortization of mortgage costs		Lexington Health Care Systems of Lake Zurich Ltd Ptsp	**	3,577	3,577 6
7	V	33 Property taxes		Lexington Health Care Systems of Lake Zurich Ltd Ptsp	**	165,884	165,884 7
8	V						8
9	V						9
10	V						10
11	V			** The owners of Lexington Health Care Center of Lake Zurich, Inc. own 100% of Lexington			11
12	V			Health Care Systems of Lake Zurich Limited Partnership.			12
13	V						13
14	Total		\$ 1,365,884			\$ 773,563	\$ * (592,321) 14

* Total must agree with the amount recorded on line 34 of Schedule VI.

SEE ACCOUNTANTS' COMPILATION REPORT

Lexington of Lake Zurich
Provider # 0039768
1/1/02 - 12/31/02

Schedule B

VII. Related Parties
Related Nursing Homes

Name of facility

City

Lexington Health Care Center of Lombard, Inc.
Lexington Health Care Center of Bloomingdale, Inc.
Lexington Health Care Center of Chicago Ridge, Inc.
Lexington Health Care Center of Elmhurst, Inc.
Lexington Health Care Center of LaGrange, Inc.
Lexington Health Care Center of Schaumburg, Inc.
Lexington Health Care Center of Streamwood, Inc.
Lexington Health Care Center of Wheeling, Inc.
Lexington Health Care Center of Orland Park, Inc.

Lombard
Bloomingdale
Chicago Ridge
Elmhurst
LaGrange
Schaumburg
Streamwood
Wheeling
Orland Park

See Accountants' Compilation Report

Facility Name & ID Number Lexington of Lake Zurich

0039768

Report Period Beginning: 01/01/02

Ending: 12/31/02

VII. RELATED PARTIES (continued)

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. ☒ YES ☐ NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1	2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference:
Schedule V	Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization	Adjustments for Related Organization Costs (7 minus 4)
15	V	3 Housekeeping supplies	\$	Royal Management Corp.	**	\$ 698	\$ 698 15
16	V	5 Utilities - gas & electric		Royal Management Corp.	**	3,554	3,554 16
17	V	5 Utilities - water & sewer		Royal Management Corp.	**	177	177 17
18	V	6 Repairs & maintenance		Royal Management Corp.	**	968	968 18
19	V	6 Scavenger & exterminating		Royal Management Corp.	**	44	44 19
20	V	6 Security service		Royal Management Corp.	**	15	15 20
21	V	19 Computer consultant & supplies		Royal Management Corp.	**	7,711	7,711 21
22	V	19 Professional fees		Royal Management Corp.	**	1,968	1,968 22
23	V	20 Advertising - help wanted		Royal Management Corp.	**	1,116	1,116 23
24	V	20 Dues & subscriptions		Royal Management Corp.	**	741	741 24
25	V	21 Bank charges		Royal Management Corp.	**	2,573	2,573 25
26	V	21 Communications		Royal Management Corp.	**	514	514 26
27	V	21 Office supplies & printing		Royal Management Corp.	**	9,748	9,748 27
28	V	21 Postage		Royal Management Corp.	**	3,062	3,062 28
29	V	21 Telephone		Royal Management Corp.	**	7,018	7,018 29
30	V	22 FICA		Royal Management Corp.	**	29,592	29,592 30
31	V	22 FUTA		Royal Management Corp.	**	544	544 31
32	V	22 SUTA		Royal Management Corp.	**	593	593 32
33	V	22 Insurance - W/C		Royal Management Corp.	**	686	686 33
34	V	22 Insurance - hospitalization		Royal Management Corp.	**	17,213	17,213 34
35	V	22 401(k) and other emp. benefits		Royal Management Corp.	**	6,268	6,268 35
36	V	24 Travel & seminar		Royal Management Corp.	**	2,929	2,929 36
37	V						37
38	V	**Certain owners of Lexington Health Care Center of Lake Zurich, Inc. own 100% of Royal Management Corp.					38
39	Total		\$			\$ 97,732	\$ * 97,732 39

* Total must agree with the amount recorded on line 34 of Schedule VI.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Lexington of Lake Zurich

0039768

Report Period Beginning: 01/01/02

Ending: 12/31/02

VII. RELATED PARTIES (continued)

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth.

☒

YES

☐

NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1	2	3 Cost Per General Ledger	4	5 Cost to Related Organization	6	7	8 Difference:	
Schedule V	Line	Item	Amount	Name of Related Organization	Percent of Ownership	Operating Cost of Related Organization	Adjustments for Related Organization Costs (7 minus 4)	
15	V	25 Auto expense	\$	Royal Management Corp.	**	\$ 9,606	\$ 9,606	15
16	V	26 Insurance - general		Royal Management Corp.	**	3,192	3,192	16
17	V	30 Depreciation - vehicles		Royal Management Corp.	**	3,426	3,426	17
18	V	30 Depreciation - leasehold improv.		Royal Management Corp.	**	6,729	6,729	18
19	V	30 Depreciation - equipment		Royal Management Corp.	**	15,724	15,724	19
20	V	32 Interest		Royal Management Corp.	**	4,188	4,188	20
21	V	33 Property taxes		Royal Management Corp.	**	2,097	2,097	21
22	V	35 Equipment rental		Royal Management Corp.	**	4,411	4,411	22
23	V	17 Management fees	364,887	Royal Management Corp.	**		(364,887)	23
24	V							24
25	V							25
26	V							26
27	V							27
28	V							28
29	V							29
30	V							30
31	V							31
32	V							32
33	V							33
34	V							34
35	V							35
36	V							36
37	V							37
38	V	**Certain owners of Lexington Health Care Center of Lake Zurich, Inc. own 100% of Royal Management Corp.						38
39	Total		\$ 364,887			\$ 49,373	\$ * (315,514)	39

* Total must agree with the amount recorded on line 34 of Schedule VI.

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Lexington of Lake Zurich # 0039768 Report Period Beginning: 01/01/02 Ending: 12/31/02

VII. RELATED PARTIES (continued)

C. Statement of Compensation and Other Payments to Owners, Relatives and Members of Board of Directors.

NOTE: ALL owners (even those with less than 5% ownership) and their relatives who receive any type of compensation from this home must be listed on this schedule.

	1 Name	2 Title	3 Function	4 Ownership Interest	5 Compensation Received From Other Nursing Homes*	6 Average Hours Per Work Week Devoted to this Facility and % of Total Work Week		7 Compensation Included in Costs for this Reporting Period**		8 Schedule V. Line & Column Reference	
						Hours	Percent	Description	Amount		
1	James Samatas	Owner/officer	Administrative	33.33%	See Schedule C	5	11%	Salary	\$ 36,160	L17, C1	1
2	John Samatas	Owner/officer	Admin/Plant Ops	33.33%	See Schedule C	2	10%	Salary	16,071	L17, C1	2
3	Cynthia Thiem	Owner/officer	Administrative	33.34%	See Schedule C	2	10%	Salary	20,089	L17, C1	3
4	George Samatas	Officer	Administrative	0.00%	See Schedule C	2	10%	Salary	4,821	L17, C1	4
5	Jason Samatas	VP of Operations	Administrative	0.00%	See Schedule C	5	10%	Salary	12,177	L17, C1	5
6											6
7											7
8						All individuals work in excess of 40 hours per week.					8
9											9
10											10
11											11
12											12
13								TOTAL	\$ 89,318		13

* If the owner(s) of this facility or any other related parties listed above have received compensation from other nursing homes, attach a schedule detailing the name(s) of the home(s) as well as the amount paid. THIS AMOUNT MUST AGREE TO THE AMOUNTS CLAIMED ON THE THE OTHER NURSING HOMES' COST REPORTS.

** This must include all forms of compensation paid by related entities and allocated to Schedule V of this report (i.e., management fees). FAILURE TO PROPERLY COMPLETE THIS SCHEDULE INDICATING ALL FORMS OF COMPENSATION RECEIVED FROM THIS HOME, ALL OTHER NURSING HOMES AND MANAGEMENT COMPANIES MAY RESULT IN THE DISALLOWANCE OF SUCH COMPENSATION

SEE ACCOUNTANTS' COMPILATION REPORT

Lexington of Lake Zurich
Provider # 0039768
1/1/02 - 12/31/02

Schedule C

VII. Related Parties

C. Statement of Compensation and Other Payments to Owners, Relatives
and Members of the Board of Directors

5. Compensation Received From Other Nursing Homes

<u>Name of facility</u>	<u>John Samatas</u>	<u>James Samatas</u>	<u>Cynthia Thiem</u>	<u>George Samatas</u>	<u>Jason Samatas</u>	<u>Total</u>
Lexington Health Care Center of Bloomingdale, Inc.	13,617	30,638	17,021	4,085	10,318	75,679
Lexington Health Care Center of Chicago Ridge, Inc.	17,734	39,901	22,167	5,320	13,437	98,559
Lexington Health Care Center of Elmhurst, Inc.	11,875	26,719	14,844	3,563	8,998	65,999
Lexington Health Care Center of LaGrange, Inc.	8,629	19,416	10,787	2,589	6,538	47,959
Lexington Health Care Center of Lombard, Inc.	17,734	39,901	22,167	5,320	13,437	98,559
Lexington Health Care Center of Orland Park, Inc.	21,376	48,096	26,721	6,413	16,194	118,800
Lexington Health Care Center of Schaumburg, Inc.	17,734	39,901	22,167	5,320	13,437	98,559
Lexington Health Care Center of Streamwood, Inc.	17,734	39,901	22,167	5,320	13,437	98,559
Lexington Health Care Center of Wheeling, Inc.	17,496	39,367	21,870	5,249	13,258	97,240
<hr/>						
Total	143,929	323,840	179,911	43,179	109,054	799,913

See Accountants' Compilation Report

Facility Name & ID Number Lexington of Lake Zurich# 0039768 Report Period Beginning: 01/01/02 Ending: 12/31/02

VIII. ALLOCATION OF INDIRECT COSTS

A. Are there any costs included in this report which were derived from allocations of central office or parent organization costs? (See instructions.) YES ☒ NO ☐

Name of Related Organization Royal Management Corp.
 Street Address 665 W. North Avenue, Suite 500
 City / State / Zip Code Lombard, IL 60148
 Phone Number (630) 458-4700
 Fax Number (630) 458-4796

B. Show the allocation of costs below. If necessary, please attach worksheets.

	1 Schedule V Line Reference	2 Item	3 Unit of Allocation (i.e., Days, Direct Cost, Square Feet)	4 Total Units	5 Number of Subunits Being Allocated Among	6 Total Indirect Cost Being Allocated	7 Amount of Salary Cost Contained in Column 6	8 Facility Units	9 Allocation (col.8/col.4)x col.6	
1	3	Housekeeping supplies	Bed Days	737,665	10	\$ 6,954	\$	74,095	\$ 698	1
2	5	Utilities - gas & electric	Bed Days	737,665	10	35,380		74,095	3,554	2
3	5	Utilities - water & sewer	Bed Days	737,665	10	1,765		74,095	177	3
4	6	Repairs & maintenance	Bed Days	737,665	10	9,640		74,095	968	4
5	6	Scavenger & exterminating	Bed Days	737,665	10	438		74,095	44	5
6	6	Security service	Bed Days	737,665	10	150		74,095	15	6
7	19	Computer consultant & supplies	Bed Days	737,665	10	76,767		74,095	7,711	7
8	19	Professional fees	Bed Days	737,665	10	19,590		74,095	1,968	8
9	20	Advertising - help wanted	Bed Days	737,665	10	11,111		74,095	1,116	9
10	20	Dues & subscriptions	Bed Days	737,665	10	7,373		74,095	741	10
11	21	Bank charges	Bed Days	737,665	10	25,613		74,095	2,573	11
12	21	Communications	Bed Days	737,665	10	5,118		74,095	514	12
13	21	Office supplies & printing	Bed Days	737,665	10	97,051		74,095	9,748	13
14	21	Postage	Bed Days	737,665	10	30,484		74,095	3,062	14
15	21	Telephone	Bed Days	737,665	10	69,873		74,095	7,018	15
16	22	FICA	Bed Days	737,665	10	294,613		74,095	29,592	16
17	22	FUTA	Bed Days	737,665	10	5,419		74,095	544	17
18	22	SUTA	Bed Days	737,665	10	5,907		74,095	593	18
19	22	Insurance - W/C	Bed Days	737,665	10	6,829		74,095	686	19
20	22	Insurance - hospitalization	Bed Days	737,665	10	171,371		74,095	17,213	20
21	22	401(k) and other emp. benefits	Bed Days	737,665	10	62,427		74,095	6,268	21
22	24	Travel & seminar	Bed Days	737,665	10	29,161		74,095	2,929	22
23										23
24										24
25	TOTALS					\$ 973,034	\$		\$ 97,732	25

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Lexington of Lake Zurich# 0039768

Report Period Beginning:

01/01/02Ending: 12/31/02

VIII. ALLOCATION OF INDIRECT COSTS

A. Are there any costs included in this report which were derived from allocations of central office or parent organization costs? (See instructions.) YES ☒ NO ☐

Name of Related Organization

Royal Management Corp.

Street Address

665 W. North Avenue, Suite 500

City / State / Zip Code

Lombard, IL 60148

Phone Number

(630) 458-4700

Fax Number

(630) 458-4796

B. Show the allocation of costs below. If necessary, please attach worksheets.

1	2	3	4	5	6	7	8	9	
Schedule V Line Reference	Item	Unit of Allocation (i.e., Days, Direct Cost, Square Feet)	Total Units	Number of Subunits Being Allocated Among	Total Indirect Cost Being Allocated	Amount of Salary Cost Contained in Column 6	Facility Units	Allocation (col.8/col.4)x col.6	
1	25	Auto expense	Bed Days	737,665	10	\$ 95,636	\$ 74,095	\$ 9,606	1
2	26	Insurance - general	Bed Days	737,665	10	31,776	74,095	3,192	2
3	30	Depreciation - vehicles	Bed Days	737,665	10	34,112	74,095	3,426	3
4	30	Depreciation - leasehold improv.	Bed Days	737,665	10	66,995	74,095	6,729	4
5	30	Depreciation - equipment	Bed Days	737,665	10	156,541	74,095	15,724	5
6	32	Interest	Bed Days	737,665	10	41,692	74,095	4,188	6
7	33	Property taxes	Bed Days	737,665	10	20,881	74,095	2,097	7
8	35	Equipment rental	Bed Days	737,665	10	43,917	74,095	4,411	8
9									9
10									10
11									11
12									12
13									13
14									14
15									15
16									16
17									17
18									18
19									19
20									20
21									21
22									22
23									23
24									24
25	TOTALS					\$ 491,550	\$	\$ 49,373	25

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Lexington of Lake Zurich# 0039768

Report Period Beginning:

01/01/02

Ending:

12/31/02

IX. INTEREST EXPENSE AND REAL ESTATE TAX EXPENSE

A. Interest: (Complete details must be provided for each loan - attach a separate schedule if necessary.)

1		2		3	4	5	6		7	8	9	10	
	Name of Lender	Related**		Purpose of Loan	Monthly Payment Required	Date of Note	Amount of Note		Maturity Date	Interest Rate (4 Digits)	Reporting Period Interest Expense		
		YES	NO				Original	Balance					
	A. Directly Facility Related												
	Long-Term												
1	Lexington Financial						\$		\$			\$	1
2	Services, L.L.C. II	X		Mortgage	\$49,259	12/29/98	6,478,000	5,790,629	12/29/08	0.0675	396,913		2
3													3
4													4
5													5
	Working Capital												
6	Shareholders	X		Working Capital	None	Varies	27,033	1,523,244	Demand	0.0300	47,300		6
7													7
8													8
9	TOTAL Facility Related				\$49,259.00		\$ 6,505,033	\$ 7,313,873			\$ 444,213		9
	B. Non-Facility Related*												
10								Amortization of loan costs			3,577		10
11								Interest income offset			(342)		11
12								Non-allowable interest			(46,958)		12
13								Allocated from management company			4,188		13
14	TOTAL Non-Facility Related						\$	\$			\$ (39,535)		14
15	TOTALS (line 9+line14)						\$ 6,505,033	\$ 7,313,873			\$ 404,678		15

16) Please indicate the total amount of mortgage insurance expense and the location of this expense on Sch. V. \$ N/A Line # N/A

* Any interest expense reported in this section should be adjusted out on page 5, line 14 and, consequently, page 4, col. 7.
(See instructions.) SEE ACCOUNTANTS' COMPILATION REPORT

** If there is ANY overlap in ownership between the facility and the lender, this must be indicated in column 2.
(See instructions.)

B. Real Estate Taxes

NOTES:

1. Please indicate a negative number by use of brackets (). Deduct any overaccrual of taxes from prior year.
2. If facility is a non-profit which pays real estate taxes, you must attach a denial of an application for real estate tax exemption unless the building is rented from a for-profit entity.
This denial must be no more than four years old at the time the cost report is filed.

SEE ACCOUNTANTS' COMPILATION REPORT

IMPORTANT NOTICE

TO: Long Term Care Facilities with Real Estate Tax Rates RE: 2001 REAL ESTATE TAX COST DOCUMENTATION

In order to set the real estate tax portion of the capital rate, it is necessary that we obtain additional information regarding your calendar 2001 real estate tax costs, as well as copies of your real estate tax bills for calendar 2001.

Please complete the Real Estate Tax Statement below and forward with a copy of your 2001 real estate tax bill to the Department of Public Aid, Office of Health Finance, 201 South Grand Avenue East, Springfield, Illinois 62763.

Please send these items in with your completed 2002 cost report. The cost report will not be considered complete and timely filed until this statement and the corresponding real estate tax bills are filed. If you have any questions,

2001 LONG TERM CARE REAL ESTATE TAX STATEMENT

FACILITY NAME Lexington of Lake Zurich COUNTY Lake

FACILITY IDPH LICENSE NUMBER 0039768

CONTACT PERSON REGARDING THIS REPORT Susan Rojek

TELEPHONE (630) 458-4700 FAX #: (630) 458-4795

A. Summary of Real Estate Tax Cos

Enter the tax index number and real estate tax assessed for 2001 on the lines provided below. Enter only the portion of tl cost that applies to the operation of the nursing home in Column D. Real estate tax applicable to any portion of the nursir home property which is vacant, rented to other organizations, or used for purposes other than long term care must not l entered in Column D. Do not include cost for any period other than calendar year 2001

(A)	(B)	(C)	(D) <u>Tax</u> <u>Applicable to</u> <u>Nursing Home</u>
<u>Tax Index Number</u>	<u>Property Description</u>	<u>Total Tax</u>	
1. <u>14-28-100-020</u>	<u>Land and building</u>	\$ <u>134,513.23</u>	\$ <u>134,513.23</u>
2. <u>14-29-200-033</u>	<u>Land and building</u>	\$ <u>7,370.59</u>	\$ <u>7,370.59</u>
3. <u>Royal Management Corp. (Omni Partners)</u>		\$	\$
4. <u>06-19-201-018</u>	<u>Land and building</u>	\$ <u>70,162.04</u>	\$ <u>147.00</u>
5. <u>Royal Management Corp. (Samvest</u>		\$	\$
6. <u>05-01-202-019</u>	<u>Land and building</u>	\$ <u>144,399.48</u>	\$ <u>1,950.00</u>
7. _____	_____	\$ _____	\$ _____
8. _____	_____	\$ _____	\$ _____
9. _____	_____	\$ _____	\$ _____
10. _____	_____	\$ _____	\$ _____
TOTALS		\$ <u>356,445.34</u>	\$ <u>143,980.82</u>

B. Real Estate Tax Cost Allocation:

Does any portion of the tax bill apply to more than one nursing home, vacant property, or property which is not direct used for nursing home services? YES X NO

If YES, attach an explanation & a schedule which shows the calculation of the cost allocated to the nursing hom (Generally the real estate tax cost must be allocated to the nursing home based upon sq. ft. of space used

C. Tax Bills

Attach a copy of the 2001 tax bills which were listed in Section A to this statement. Be sure to use the 2001 tax bill whic is normally paid during 2002.

X. BUILDING AND GENERAL INFORMATION:

A. Square Feet: 78,901
 B. General Construction Type:
 Exterior Brick
 Frame Steel
 Number of Stories 3

C. Does the Operating Entity?
 (a) Own the Facility
 (b) Rent from a Related Organization.
 (c) Rent from Completely Unrelated Organization.

(Facilities checking (a) or (b) must complete Schedule XI. Those checking (c) may complete Schedule XI or Schedule XII-A. See instructions.)

D. Does the Operating Entity?
 (a) Own the Equipment
 (b) Rent equipment from a Related Organization.
 (c) Rent equipment from Completely Unrelated Organization.

(Facilities checking (a) or (b) must complete Schedule XI-C. Those checking (c) may complete Schedule XI-C or Schedule XII-B. See instructions.)

E. List all other business entities owned by this operating entity or related to the operating entity that are located on or adjacent to this nursing home's ground: (such as, but not limited to, apartments, assisted living facilities, day training facilities, day care, independent living facilities, nurse aide training facilities, etc.) List entity name, type of business, square footage, and number of beds/units available (where applicable)

None

F. Does this cost report reflect any organization or pre-operating costs which are being amortized?
 YES
 NO
 If so, please complete the following:

1. Total Amount Incurred: N/A
 2. Number of Years Over Which it is Being Amortized: N/A
 3. Current Period Amortization: N/A
 4. Dates Incurred: N/A

Nature of Costs:

(Attach a complete schedule detailing the total amount of organization and pre-operating costs.)

XI. OWNERSHIP COSTS:

A. Land.

	1	2	3	4	
	Use	Square Feet	Year Acquired	Cost	
1	Resident Care	250,344	1990	\$ 495,000	1
2	Allocated from management company			16,353	2
3	TOTALS	250,344		\$ 511,353	3

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Lexington of Lake Zurich

0039768

Report Period Beginning:

01/01/02

Ending:

12/31/02

XI. OWNERSHIP COSTS (continued)**B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar**

1	2	3	4	5	6	7	8	9	
Beds*	FOR OHF USE ONLY	Year Acquired	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation
4	203	1994	1994	\$ 6,418,908	\$	40	\$ 160,473	\$ 160,473	\$ 1,337,273
5									
6									
7									
8									
Improvement Type**									
9	Land Improvements	1994	1994	10,701		10	1,070	1,070	9,096
10	Land Improvements	1994	1994	13,329	1,333	10	1,333		11,331
11	Leasehold Improvements	1994	1994	4,737	316	15	316		2,684
12	Leasehold Improvements	1995	1995	4,005	267	15	267		2,003
13	Land Improvements	1995	1995	3,221		10	323	323	2,416
14	Building Improvements	1995	1995	3,019		40	75	75	566
15	Building Improvements	1995	1995	64,500	1,654	39	1,654		12,750
16	Patio	1996	1996	1,168	78	15	78		506
17	Compressor	1996	1996	5,145	514	10	514		3,344
18	Road sidewalk	1997	1997	18,094		20	905	905	4,976
19	Foundation/Sprinkler	1997	1997	2,068	59	35	59		325
20	Flagpoles	1997	1997	1,573	105	15	105		577
21	Basement rehab	1998	1998	12,867	1,287	10	1,287		5,790
22	MDS Telnet wiring	1998	1998	3,365	337	10	337		1,514
23	Flag Pole	1998	1998	787	52	15	52		236
24	Resurface/restripe parking lot	1998	1998	4,976	498	10	498		2,240
25	Transfer 10 beds from shelter care	1998	1998	2,259	56	40	56		235
26	1st floor lobby tile	1999	1999	12,153	1,216	10	1,216		4,254
27	Parking lot repair	2000	2000	3,740	374	10	374		935
28	Roof repair	2000	2000	10,770	1,077	10	1,077		2,692
29	Automatic door	2000	2000	1,300	130	10	130		325
30	Kitchen rehab	2000	2000	16,887	1,689	10	1,689		4,222
31	Compressor	2001	2001	4,350	435	10	435		652
32	Boiler vent	2001	2001	3,228	323	10	323		484
33	Fire pump	2001	2001	1,766	177	10	177		265
34	Kitchen rehab	2001	2001	721	72	10	72		108
35	Elevator infrared curtains	2001	2001	4,500	450	10	450		675
36									

*Total beds on this schedule must agree with page 2.

**Improvement type must be detailed in order for the cost report to be considered complete

See Page 12A, Line 70 for total

SEE ACCOUNTANTS' COMPILATION REPORT

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar

	1	2	3	4	5	6	7	8	9	
	Improvement Type**	Year Constructed	Cost	Current Book Depreciation	Life in Years	Straight Line Depreciation	Adjustments	Accumulated Depreciation		
37	Leasehold improvements - management company	1995	\$ 10,365	\$	35	\$ 376	\$ 376	\$ 2,221		37
38	Leasehold improvements - management company	1996	8,435		35	306	306	1,567		38
39	Leasehold improvements - management company	1989	291		31	11	11	137		39
40	HVAC - management company	1998	218		35	8	8	31		40
41	Offices - management company	1999	551		35	20	20	55		41
42	Offices - management company	2000	261		35	9	9	20		42
43	Land improvements - management company	2002	9,809		15	599	599	599		43
44	Building - management company	2002	228,683		40	5,241	5,241	5,241		44
45	Sewer & water improvements - management company	2002	5,202		30	159	159	159		45
46										46
47										47
48										48
49										49
50										50
51										51
52										52
53										53
54										54
55										55
56										56
57										57
58										58
59										59
60										60
61										61
62										62
63										63
64										64
65										65
66										66
67										67
68										68
69										69
70	TOTAL (lines 4 thru 69)		\$ 6,897,952	\$ 12,499		\$ 182,074	\$ 169,575	\$ 1,422,504		70

SEE ACCOUNTANTS' COMPILATION REPORT

**Improvement type must be detailed in order for the cost report to be considered complete

C. Equipment Depreciation-Excluding Transportation. (See instructions.)

	Category of Equipment	1 Cost	Current Book Depreciation 2	Straight Line Depreciation 3	4 Adjustments	Component Life 5	Accumulated Depreciation 6	
71	Purchased in Prior Years	\$ 590,094	\$ 21,817	\$ 65,959	\$ 44,142	5-10 years	\$ 452,800	71
72	Current Year Purchases	4,521	78	78		5	78	72
73	Fully Depreciated Assets							73
74	Allocated from management company	157,044		15,724	15,724		41,077	74
75	TOTALS	\$ 751,659	\$ 21,895	\$ 81,761	\$ 59,866		\$ 493,955	75

D. Vehicle Depreciation (See instructions.)*

	1 Use	Model, Make and Year 2	Year Acquired 3	4 Cost	Current Book Depreciation 5	Straight Line Depreciation 6	7 Adjustments	Life in Years 8	Accumulated Depreciation 9	
76				\$	\$	\$	\$		\$	76
77										77
78										78
79	Allocated from management company			30,670		3,426	3,426		21,343	79
80	TOTALS			\$ 30,670	\$	\$ 3,426	\$ 3,426		\$ 21,343	80

E. Summary of Care-Related Assets

	1 Reference	2 Amount	
81	Total Historical Cost (line 3, col.4 + line 70, col.4 + line 75, col.1 + line 80, col.4) + (Pages 12B thru 12I, if applicable)	\$ 8,191,634	81
82	Current Book Depreciation (line 70, col.5 + line 75, col.2 + line 80, col.5) + (Pages 12B thru 12I, if applicable)	\$ 34,394	82
83	Straight Line Depreciation (line 70, col.7 + line 75, col.3 + line 80, col.6) + (Pages 12B thru 12I, if applicable)	\$ 267,261	83 **
84	Adjustments (line 70, col.8 + line 75, col.4 + line 80, col.7) + (Pages 12B thru 12I, if applicable)	\$ 232,867	84
85	Accumulated Depreciation (line 70, col.9 + line 75, col.6 + line 80, col.9) + (Pages 12B thru 12I, if applicable)	\$ 1,937,802	85

F. Depreciable Non-Care Assets Included in General Ledger. (See instructions.)

	1 Description & Year Acquired	2 Cost	Current Book Depreciation 3	Accumulated Depreciation 4	
86		\$	\$	\$	86
87					87
88					88
89					89
90					90
91	TOTALS	\$	\$	\$	91

G. Construction-in-Progress

	Description	Cost	
92		\$	92
93			93
94			94
95		\$	95

* Vehicles used to transport residents to & from day training must be recorded in XI-F, not XI-D.

** This must agree with Schedule V line 30, column 8.

SEE ACCOUNTANTS' COMPILATION REPORT

XII. RENTAL COSTS

A. Building and Fixed Equipment (See instructions.)

1. Name of Party Holding Lease: N/A

2. Does the facility also pay real estate taxes in addition to rental amount shown below on line 7, column 4?

If NO, see instructions.

☐ YES ☐ NO

		1 Year Constructed	2 Number of Beds	3 Date of Lease	4 Rental Amount	5 Total Years of Lease	6 Total Years Renewal Option*	
3	Original Building:				\$			3
4	Additions							4
5								5
6								6
7	TOTAL				\$			7

**

8. List separately any amortization of lease expense included on page 4, line 34.

This amount was calculated by dividing the total amount to be amortized by the length of the lease .

9. Option to Buy: ☐ YES ☐ NO Terms: *

B. Equipment-Excluding Transportation and Fixed Equipment. (See instructions.)

15. Is Movable equipment rental included in building rental?

☐ YES ☒ NO

16. Rental Amount for movable equipment: \$ 6,927 Description: Copier: \$1,440; Postage meter: \$1,076; Allocation from management company: \$4,411

(Attach a schedule detailing the breakdown of movable equipment)

10. Effective dates of current rental agreement:

Beginning

Ending

11. Rent to be paid in future years under the current rental agreement:

Fiscal Year Ending Annual Rent

12. /2003 \$

13. /2004 \$

14. /2005 \$

C. Vehicle Rental (See instructions.)

	1 Use	2 Model Year and Make	3 Monthly Lease Payment	4 Rental Expense for this Period	
17			\$	\$	17
18					18
19					19
20					20
21	TOTAL		\$	\$	21

* If there is an option to buy the building, please provide complete details on attached schedule.

** This amount plus any amortization of lease expense must agree with page 4, line 34.

SEE ACCOUNTANTS' COMPILATION REPORT

A. TYPE OF TRAINING PROGRAM (If aides are trained in another facility program, attach a schedule listing the facility name, address and cost per aide trained in that facility.)

<p>1. HAVE YOU TRAINED AIDES DURING THIS REPORT PERIOD?</p> <p><input type="checkbox"/> YES <input checked="" type="checkbox"/> NO</p> <p>It is the policy of this facility to only hire certified nurses aides. If "yes", please complete the remainder of this schedule. If "no", provide an explanation as to why this training was not necessary.</p>	<p>2. CLASSROOM PORTION:</p> <p>IN-HOUSE PROGRAM <input type="checkbox"/></p> <p>IN OTHER FACILITY <input type="checkbox"/></p> <p>COMMUNITY COLLEGE <input type="checkbox"/></p> <p>HOURS PER AIDE _____</p>	<p>3. CLINICAL PORTION:</p> <p>IN-HOUSE PROGRAM <input type="checkbox"/></p> <p>IN OTHER FACILITY <input type="checkbox"/></p> <p>HOURS PER AIDE _____</p>
---	--	---

B. EXPENSES

ALLOCATION OF COSTS (d)

		1	2	3	4
		Facility			
		Drop-outs	Completed	Contract	Total
1	Community College Tuition	\$	\$	\$	\$
2	Books and Supplies				
3	Classroom Wages (a)				
4	Clinical Wages (b)				
5	In-House Trainer Wages (c)				
6	Transportation				
7	Contractual Payments				
8	Nurse Aide Competency Tests				
9	TOTALS	\$	\$	\$	\$
10	SUM OF line 9, col. 1 and 2 (e)	\$			

- (a) Include wages paid during the classroom portion of training. Do not include fringe benefits.
 (b) Include wages paid during the clinical portion of training. Do not include fringe benefits.
 (c) For in-house training programs only. Do not include fringe benefits.
 (d) Allocate based on if the aide is from your facility or is being contracted to be trained in your facility. Drop-out costs can only be for costs incurred by your own aides.

C. CONTRACTUAL INCOME

In the box below record the amount of income your facility received training aides from other facilities.

\$ _____

D. NUMBER OF AIDES TRAINED

COMPLETED	
1. From this facility	
2. From other facilities (f)	
DROP-OUTS	
1. From this facility	
2. From other facilities (f)	
TOTAL TRAINED	

- (e) The total amount of Drop-out and Completed Costs for your own aides must agree with Sch. V, line 13, col. 8.
 (f) Attach a schedule of the facility names and addresses of those facilities for which you trained aides.
 SEE ACCOUNTANTS' COMPILATION REPORT

XIV. SPECIAL SERVICES (Direct Cost) (See instructions.)

		1	2	3	4	5	6	7	8	
	Service	Schedule V Line & Column Reference	Staff		Outside Practitioner (other than consultant)		Supplies (Actual or Allocated)	Total Units (Column 2 + 4)	Total Cost (Col. 3 + 5 + 6)	
			Units of Service	Cost	Units	Cost				
1	Licensed Occupational Therapist	L10A, C3	hrs	\$	16,212	\$ 229,545	\$	16,212	\$ 229,545	1
2	Licensed Speech and Language Development Therapist	L10A, C3	hrs		3,465	63,109		3,465	63,109	2
3	Licensed Recreational Therapist		hrs							3
4	Licensed Physical Therapist	L10A, C3	hrs		31,562	341,774		31,562	341,774	4
5	Physician Care		visits							5
6	Dental Care		visits							6
7	Work Related Program		hrs							7
8	Habilitation		hrs							8
9	Pharmacy	L39, C2	# of prescripts				165,387		165,387	9
	Psychological Services (Evaluation and Diagnosis/ Behavior Modification)		hrs							10
11	Academic Education		hrs							11
12	Exceptional Care Program									12
13	Other (specify): See attached Schedule D					46,200			46,200	13
14	TOTAL			\$	51,239	\$ 680,628	\$ 165,387	51,239	\$ 846,015	14

NOTE: This schedule should include fees (other than consultant fees) paid to licensed practitioners. Consultant fees should be detailed on Schedule XVIII-B. Salaries of unlicensed practitioners, such as nurse aides, who help with the above activities should not be listed on this schedule.

SEE ACCOUNTANTS' COMPILATION REPORT

Lexington of Lake Zurich

Provider #: 0039768

01/01/02 to 12/31/02

Schedule D

XIV. Special Services (Direct Cost)

Line 13, Other

<u>Service</u>	<u>Cost</u>	<u>Line Reference</u>
Oxygen	19,704	L 39, C3
Laboratory	3,013	L 39, C3
Radiology	6,343	L 39, C3
Clinitron beds	17,140	L 39, C3
Total	<u>46,200</u>	

See Accountants' Compilation Report

		1 Operating	2 After Consolidation*	
	A. Current Assets			
1	Cash on Hand and in Banks	\$ 62,029	\$ 92,853	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance 394,200)	1,910,646	1,910,646	3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance	42,749	42,749	6
7	Other Prepaid Expenses			7
8	Accounts Receivable (owners or related parties)	9,350	9,350	8
9	Other(specify): Escrows		18,312	9
10	TOTAL Current Assets (sum of lines 1 thru 9)	\$ 2,024,774	\$ 2,073,910	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments	8,085	8,085	12
13	Land		511,353	13
14	Buildings, at Historical Cost		6,418,908	14
15	Leasehold Improvements, at Historical Cost	180,195	479,044	15
16	Equipment, at Historical Cost	153,186	782,329	16
17	Accumulated Depreciation (book methods)	(138,743)	(1,937,802)	17
18	Deferred Charges		351	18
19	Organization & Pre-Operating Costs			19
20	Accumulated Amortization - Organization & Pre-Operating Costs			20
21	Restricted Funds			21
22	Other Long-Term Assets (specify):			22
23	Other(specify): Unamortized mortgage costs		57,240	23
24	TOTAL Long-Term Assets (sum of lines 11 thru 23)	\$ 202,723	\$ 6,319,508	24
25	TOTAL ASSETS (sum of lines 10 and 24)	\$ 2,227,497	\$ 8,393,418	25

		1 Operating	2 After Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	\$ 312,369	\$ 312,369	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits	428,298	428,298	28
29	Short-Term Notes Payable	1,523,244	1,523,244	29
30	Accrued Salaries Payable	262,860	262,860	30
31	Accrued Taxes Payable (excluding real estate taxes)	3,494	3,494	31
32	Accrued Real Estate Taxes(Sch.IX-B)		150,000	32
33	Accrued Interest Payable		32,572	33
34	Deferred Compensation			34
35	Federal and State Income Taxes			35
	Other Current Liabilities(specify):			
36	See attached Schedule E	516,763	95,092	36
37				37
38	TOTAL Current Liabilities (sum of lines 26 thru 37)	\$ 3,047,028	\$ 2,807,929	38
	D. Long-Term Liabilities			
39	Long-Term Notes Payable			39
40	Mortgage Payable		5,790,629	40
41	Bonds Payable			41
42	Deferred Compensation			42
	Other Long-Term Liabilities(specify):			
43				43
44				44
45	TOTAL Long-Term Liabilities (sum of lines 39 thru 44)	\$	\$ 5,790,629	45
46	TOTAL LIABILITIES (sum of lines 38 and 45)	\$ 3,047,028	\$ 8,598,558	46
47	TOTAL EQUITY (page 18, line 24)	\$ (819,531)	\$ (205,140)	47
48	TOTAL LIABILITIES AND EQUITY (sum of lines 46 and 47)	\$ 2,227,497	\$ 8,393,418	48

SEE ACCOUNTANTS' COMPILATION REPORT

*(See instructions.)

Lexington of Lake Zurich
Provider # 0039768
1/1/02 - 12/31/02

Schedule E

XV. Balance Sheet

C. Current Liabilities

36. Other Current Liabilities

<u>Description</u>	<u>Operating</u>	<u>After Consolidation</u>
Accrued Rent	421,671	-
Accrued management fees	25,455	25,455
Accrued 401 (k) contribution	13,313	13,313
401 (k) withholding	3,380	3,380
Other accrued expenses	52,826	52,826
Due to related parties	<u>118</u>	<u>118</u>
Total line 36	<u>516,763</u>	<u>95,092</u>

XVII. Income Statement

E. Other Revenue

28. Other Revenue

<u>Description</u>	<u>Amount</u>
Investment Income in Lexington Financial Services II, LLC	1,015
Miscellaneous Income	250
Total line 28	<u>1,265</u>

See Accountants' Compilation Report

XVI. STATEMENT OF CHANGES IN EQUITY

		1 Total	
1	Balance at Beginning of Year, as Previously Reported	\$ (821,505)	1
2	Restatements (describe):		2
3	Prior period adjustment	(60,136)	3
4	Prior year's post closing entries	(107,220)	4
5			5
6	Balance at Beginning of Year, as Restated (sum of lines 1-5)	\$ (988,861)	6
	A. Additions (deductions):		
7	NET Income (Loss) (from page 19, line 43)	169,330	7
8	Aquisitions of Pooled Companies		8
9	Proceeds from Sale of Stock		9
10	Stock Options Exercised		10
11	Contributions and Grants		11
12	Expenditures for Specific Purposes		12
13	Dividends Paid or Other Distributions to Owners	()	13
14	Donated Property, Plant, and Equipment		14
15	Other (describe)		15
16	Other (describe)		16
17	TOTAL Additions (deductions) (sum of lines 7-16)	\$ 169,330	17
	B. Transfers (Itemize):		
18			18
19			19
20			20
21			21
22			22
23	TOTAL Transfers (sum of lines 18-22)	\$	23
24	BALANCE AT END OF YEAR (sum of lines 6 + 17 + 23)	\$ (819,531)	24

Operating Entity Only

* This must agree with page 17, line 47.

SEE ACCOUNTANTS' COMPILATION REPORT

STATE OF ILLINOIS

Page 19

Facility Name & ID Number Lexington of Lake Zurich

0039768

Report Period Beginning: 01/01/02

Ending:

12/31/02

XVII. INCOME STATEMENT (attach any explanatory footnotes necessary to reconcile this schedule to Schedules V and VI.) All required classifications of revenue and expense must be provided on this form, even if financial statements are attached.

Note: This schedule should show gross revenue and expenses. Do not net revenue against expense.

1			
	Revenue	Amount	
A. Inpatient Care			
1	Gross Revenue -- All Levels of Care	\$ 8,359,342	1
2	Discounts and Allowances for all Levels	(607,327)	2
3	SUBTOTAL Inpatient Care (line 1 minus line 2)	\$ 7,752,015	3
B. Ancillary Revenue			
4	Day Care		4
5	Other Care for Outpatients		5
6	Therapy	1,094,999	6
7	Oxygen		7
8	SUBTOTAL Ancillary Revenue (lines 4 thru 7)	\$ 1,094,999	8
C. Other Operating Revenue			
9	Payments for Education		9
10	Other Government Grants		10
11	Nurses Aide Training Reimbursements		11
12	Gift and Coffee Shop	8,474	12
13	Barber and Beauty Care	32,192	13
14	Non-Patient Meals	280	14
15	Telephone, Television and Radio	54	15
16	Rental of Facility Space		16
17	Sale of Drugs	199,374	17
18	Sale of Supplies to Non-Patients		18
19	Laboratory	20,746	19
20	Radiology and X-Ray	4,944	20
21	Other Medical Services	50,784	21
22	Laundry	5,475	22
23	SUBTOTAL Other Operating Revenue (lines 9 thru 22)	\$ 322,323	23
D. Non-Operating Revenue			
24	Contributions		24
25	Interest and Other Investment Income***	342	25
26	SUBTOTAL Non-Operating Revenue (lines 24 and 25)	\$ 342	26
E. Other Revenue (specify):****			
27	Settlement Income (Insurance, Legal, Etc.)		27
28	See attached Schedule E	1,265	28
28a			28a
29	SUBTOTAL Other Revenue (lines 27, 28 and 28a)	\$ 1,265	29
30	TOTAL REVENUE (sum of lines 3, 8, 23, 26 and 29)	\$ 9,170,944	30

2			
	Expenses	Amount	
A. Operating Expenses			
31	General Services	1,342,813	31
32	Health Care	3,847,145	32
33	General Administration	1,918,313	33
B. Capital Expense			
34	Ownership	1,450,094	34
C. Ancillary Expense			
35	Special Cost Centers	332,106	35
36	Provider Participation Fee	111,143	36
D. Other Expenses (specify):			
37			37
38			38
39			39
40	TOTAL EXPENSES (sum of lines 31 thru 39)*	\$ 9,001,614	40
41	Income before Income Taxes (line 30 minus line 40)**	169,330	41
42	Income Taxes		42
43	NET INCOME OR LOSS FOR THE YEAR (line 41 minus line 42)	\$ 169,330	43

* This must agree with page 4, line 45, column 4.

** Does this agree with taxable income (loss) per Federal Income Tax Return? No If not, please attach a reconciliation.
This entity files a cash basis tax return.

*** See the instructions. If this total amount has not been offset against interest expense on Schedule V, line 32, please include a detailed explanation. SEE ACCOUNTANTS' COMPILATION REPORT

****Provide a detailed breakdown of "Other Revenue" on an attached sheet.

Facility Name & ID Number **Lexington of Lake Zurich**# **0039768**Report Period Beginning: **01/01/02**Ending: **12/31/02**

12/31/02

XVIII. A. STAFFING AND SALARY COSTS (Please report each line separately.)

(This schedule must cover the entire reporting period.)

		1	2**	3	4	
		# of Hrs. Actually Worked	# of Hrs. Paid and Accrued	Reporting Period Total Salaries, Wages	Average Hourly Wage	
1	Director of Nursing	2,236	2,328	\$ 114,831	\$ 49.33	1
2	Assistant Director of Nursing	3,146	3,177	86,417	27.20	2
3	Registered Nurses	34,490	37,160	971,881	26.15	3
4	Licensed Practical Nurses	14,199	15,136	364,528	24.08	4
5	Nurse Aides & Orderlies	83,752	86,357	1,026,062	11.88	5
6	Nurse Aide Trainees					6
7	Licensed Therapist					7
8	Rehab/Therapy Aides	6,887	7,267	91,151	12.54	8
9	Activity Director	2,275	2,275	31,115	13.68	9
10	Activity Assistants	17,338	17,951	171,524	9.56	10
11	Social Service Workers	3,711	3,896	75,337	19.34	11
12	Dietician					12
13	Food Service Supervisor	619	619	8,392	13.56	13
14	Head Cook	2,051	2,091	22,123	10.58	14
15	Cook Helpers/Assistants	15,173	16,008	143,638	8.97	15
16	Dishwashers	16,214	16,991	105,024	6.18	16
17	Maintenance Workers	4,095	4,425	74,736	16.89	17
18	Housekeepers	37,987	39,999	265,747	6.64	18
19	Laundry	8,937	9,304	56,890	6.11	19
20	Administrator	2,268	2,358	108,976	46.22	20
21	Assistant Administrator					21
22	Other Administrative	669	669	89,318	133.51	22
23	Office Manager					23
24	Clerical	23,471	24,903	442,193	17.76	24
25	Vocational Instruction					25
26	Academic Instruction					26
27	Medical Director					27
28	Qualified MR Prof. (QMRP)					28
29	Resident Services Coordinator					29
30	Habilitation Aides (DD Homes)					30
31	Medical Records					31
32	Other Health Care(specify)					32
33	Other(specify)					33
34	TOTAL (lines 1 - 33)	279,518	292,914	\$ 4,249,883 *	\$ 14.51	34

* This total must agree with page 4, column 1, line 45.

** See instructions.

B. CONSULTANT SERVICES

		1	2	3	
		Number of Hrs. Paid & Accrued	Total Consultant Cost for Reporting Period	Schedule V Line & Column Reference	
35	Dietary Consultant	183	\$ 9,979	L1, C3	35
36	Medical Director	Monthly	27,250	L9, C3	36
37	Medical Records Consultant	14	700	L10, C3	37
38	Nurse Consultant				38
39	Pharmacist Consultant	Monthly	1,200	L10, C3	39
40	Physical Therapy Consultant				40
41	Occupational Therapy Consultant				41
42	Respiratory Therapy Consultant				42
43	Speech Therapy Consultant				43
44	Activity Consultant	Monthly	3,384	L11, C3	44
45	Social Service Consultant	Monthly	2,813	L11, C3	45
46	Other(specify)				46
47					47
48					48
49	TOTAL (lines 35 - 48)	197	\$ 45,326		49

C. CONTRACT NURSES

		1	2	3	
		Number of Hrs. Paid & Accrued	Total Contract Wages	Schedule V Line & Column Reference	
50	Registered Nurses		\$		50
51	Licensed Practical Nurses		N/A		51
52	Nurse Aides				52
53	TOTAL (lines 50 - 52)		\$		53

SEE ACCOUNTANTS' COMPILATION REPORT

Lexington of Lake Zurich
Provider # 0039768
1/1/02 - 12/31/02

Schedule F

XIX. Support Schedules
C. Professional Services

<u>Vendor/Payee</u>	<u>Type</u>	<u>Amount</u>
Harris Kessler & Goldstein LLC	Legal	4,178
Katten, Muchin, Zavis and Rosenman	Legal	868
Glantz-Richman	Rehabilitation Consultant	350
Advanced Answers on Demand	Computer Services	3,247
Action Computer Service	Computer Services	325
Gigatrend	Computer Services	195
NASLO	Computer Services	250
Kraku Business Computer Systems	Computer Services	1,575
Information Controls Inc.	Computer Services	867
		<u>11,855</u>
Total, Agrees to Schedule V, Line 19, Column 3		<u>54,789</u>
Allocated from management co.		
Altschuler, Melvoin & Glasser, LLP/		
American Express Tax & Business Services	Accounting	733
Brekke Consulting, Inc.	Exec. Counsel Consulting	169
Gilson, Labus and Silverman	Accounting	46
James Samatas	Legal	20
Katten, Muchin, Zavis and Rosenman	Legal	222
Sachnoff and Weaver	Legal	122
ING / Pension Administrators / Aetna Life Insurance & Annuity Co.	401 (k) Administration	544
Various	Consulting	7,823
Allocated from building partnership		
James Samatas	Filing and recording fees	126
Nonallowable legal fees		
Freedman, Anselmo, & Lindberg	Legal-collection fees	(4,971)
Out of period professional fees		
Global Care	Out of period professional fees	(4,437)
Total, Agrees to Schedule V, Line 19, Column 8		<u>55,186</u>

See accountants' compilation report.

XIX-H. SUPPORT SCHEDULE - DEFERRED MAINTENANCE COSTS (which have been included in Sch. V, line 6, col. 3).
(See instructions.)

	1	2	3	4	5	6	7	8	9	10	11	12	13
	Improvement Type	Month & Year Improvement Was Made	Total Cost	Useful Life	Amount of Expense Amortized Per Year								
					FY1999	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007
1	Deferred maintenance	9/00	\$ 2,103	3	\$	\$ 350	\$ 701	\$ 701	\$ 351	\$	\$	\$	\$
2													
3													
4													
5													
6													
7													
8													
9													
10													
11													
12													
13													
14													
15													
16													
17													
18													
19													
20	TOTALS		\$ 2,103		\$	\$ 350	\$ 701	\$ 701	\$ 351	\$	\$	\$	\$

SEE ACCOUNTANTS' COMPILATION REPORT

Facility Name & ID Number Lexington of Lake Zurich

STATE OF ILLINOIS

0039768

Report Period Beginning:

01/01/02

Ending:

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XX. GENERAL INFORMATION:

- (1) Are nursing employees (RN,LPN,NA) represented by a union? No
- (2) Are there any dues to nursing home associations included on the cost report? No
If YES, give association name and amount. N/A
- (3) Did the nursing home make political contributions or payments to a political organization? No If YES, have these costs been properly adjusted out of the cost report? N/A
- (4) Does the bed capacity of the building differ from the number of beds licensed at the end of the fiscal year? No If YES, what is the capacity? N/A
- (5) Have you properly capitalized all major repairs and equipment purchases? Yes
What was the average life used for new equipment added during this period? 5
- (6) Indicate the total amount of both disposable and non-disposable diaper expense and the location of this expense on Sch. V. \$ 45,492 Line 10
- (7) Have all costs reported on this form been determined using accounting procedures consistent with prior reports? Yes If NO, attach a complete explanation.
- (8) Are you presently operating under a sale and leaseback arrangement? No
If YES, give effective date of lease. N/A
- (9) Are you presently operating under a sublease agreement? YES x NO
- (10) Was this home previously operated by a related party (as is defined in the instructions for Schedule VII)? YES NO x If YES, please indicate name of the facility, IDPH license number of this related party and the date the present owners took over N/A
- (11) Indicate the amount of the Provider Participation Fees paid and accrued to the Department of Public Aid during this cost report period. \$ 111,143
This amount is to be recorded on line 42 of Schedule V.
- (12) Are there any salary costs which have been allocated to more than one line on Schedule V for an individual employee? No If YES, attach an explanation of the allocation.

SEE ACCOUNTANTS' COMPILATION REPORT

- (13) Have costs for all supplies and services which are of the type that can be billed to the Department of Public Aid, in addition to the daily rate, been properly classified in the Ancillary Section of Schedule V? Yes
- (14) Is a portion of the building used for any function other than long term care services for the patient census listed on page 2, Section B? No For example, is a portion of the building used for rental, a pharmacy, day care, etc.) If YES, attach a schedule which explains how all related costs were allocated to these functions
- (15) Indicate the cost of employee meals that has been reclassified to employee benefit: on Schedule V. \$ 10,745 Has any meal income been offset against related costs? Yes Indicate the amount. \$ 280
- (16) Travel and Transportation
a. Are there costs included for out-of-state travel? No
If YES, attach a complete explanation.
b. Do you have a separate contract with the Department to provide medical transportation for residents? No If YES, please indicate the amount of income earned from such a program during this reporting period. \$ N/A
c. What percent of all travel expense relates to transportation of nurses and patients? 0%
d. Have vehicle usage logs been maintained? Adequate records have been maintained.
e. Are all vehicles stored at the nursing home during the night and all other times when not in use? Yes
f. Has the cost for commuting or other personal use of autos been adjusted out of the cost report? N/A
g. Does the facility transport residents to and from day training? No
Indicate the amount of income earned from providing such transportation during this reporting period. \$ N/A
- (17) Has an audit been performed by an independent certified public accounting firm? No
Firm Name: N/A The instructions for the cost report require that a copy of this audit be included with the cost report. Has this copy been attached? N/A If no, please explain. N/A
- (18) Have all costs which do not relate to the provision of long term care been adjusted out of Schedule V? Yes
- (19) If total legal fees are in excess of \$2500, have legal invoices and a summary of services performed been attached to this cost report? Yes
Attach invoices and a summary of services for all architect and appraisal fees.

RECONCILIATION REPORT

Lexington of Lake Zurich

03:22 PM

11/04/05

ITEM	Value 1	Cond.	Value 2	Difference	RESULTS	COMPARE CEL	SUB- SCHED.	LINE NO.	COL. NO.	WITH CELL	SUB- SCHED.	LINE NO.	COL. NO.
Adjustment Detail	-965,434	equal to	-965,434	0	O.K.	Pg5 Z22	B.	37	1	Pg4 K29	N/A	45	7
Interest Expense	404,678	equal to	404,678	0	O.K.	Pg9 P34	A.	15	10	Pg4 L13	N/A	32	8
Real Estate Tax Expenses	167,981	equal to	167,981	0	O.K.	Pg10 W24	B.	5	N/A	Pg4 L14	N/A	33	8
Amortization exp. Pre-opening & org.	N/A	equal to	0	#VALUE!	#VALUE!	Pg11 I33	E.	3	N/A	Pg4 L12	N/A	31	8
Ownership Costs-Depreciation	267,261	equal to	267,261	0	O.K.	Pg13 Y28	E.	49	2	Pg4 L11	N/A	30	8
Rental Costs A	0	equal to	0	0	O.K.	Pg14 L20+N22	A.	7 + 8	4+N/A	Pg4 L15	N/A	34	8
Rental Costs B	6,927	equal to	6,927	0	O.K.	Pg14 J30+N40	B.+ C.	16+21	N/A+4	Pg4 L16	N/A	35	8
Nurse Aid Training Prog.	0	equal to	0	0	O.K.	Pg15 L36	B.	10	1	Pg3 L23	N/A	13	8
Special Serv. - Staff Wages		equal to		0	O.K.	Pg16 N32	N/A	14	3	Pg4 E22	N/A	39	1
Therapy Services	634,428	equal to	634,428	0	O.K.	Pg16 Z12+Z14...	N/A/B	1-4,40-43	8;2	Pg3 H20	N/A	10a	4
Special Serv. - Supplies	165,387	equal to	#VALUE!	#VALUE!	#VALUE!	Pg16 V32	N/A	14	6	Pg4 F22 + Pg 3	N/A	39,10a	2
Income Stat. General Serv.	1,342,813	equal to	1,342,813	0	O.K.	Pg19 P11	N/A	31	2	Pg3 H16	N/A	8	4
Income Stat. Health Care	3,847,145	equal to	3,847,145	0	O.K.	Pg19 P12	N/A	32	2	Pg3 H26	N/A	16	4
Income Stat. Admininstation	1,918,313	equal to	1,918,313	0	O.K.	Pg19 P13	N/A	33	2	Pg3 H39	N/A	28	4
Income Stat. Ownership	1,450,094	equal to	1,450,094	0	O.K.	Pg19 P15	N/A	34	2	Pg4 H18	N/A	37	4
Income Stat. Special Cost Ctr	332,106	equal to	332,106	0	O.K.	Pg19 P17	N/A	35	2	Pg4 H21..H24+†	N/A	38to41+43	4
Income Stat. Prov. Partic.	111,143	equal to	111,143	0	O.K.	Pg19 P18	N/A	36	2	Pg4 H25	N/A	42	4
Staff- Nursing	2,563,719	equal to	2,654,870	-91,151	FAILED	Pg20 K11..K15+	A.	1-5,24,25,27-30	3	Pg3 E19	N/A	10	1
Staff- Nurse aide Training	0	< or = to	0	0	O.K.	Pg20 K16	A.	6	3	Pg3 E23	N/A	13	1
Staff-Licensed Therapist	0	equal to	0	0	O.K.	Pg20 K17	A.	7	3	Pg4 E22	N/A	39	1
Staff- Activities	202,639	equal to	202,639	0	O.K.	Pg20 K19+K20	A.	9+10	3	Pg3 E21	N/A	11	1
Staff- Social Serv. Workers	75,337	equal to	75,337	0	O.K.	Pg20 K21	A.	11	3	Pg3 E22	N/A	12	1
Staff- Dietary	279,177	equal to	279,177	0	O.K.	Pg20 K22..K26	A.	16-Dec	3	Pg3 E9	N/A	1	1
Staff- Maintenance	74,736	equal to	74,736	0	O.K.	Pg20 K27	A.	17	3	Pg3 E14	N/A	6	1
Staff- Housekeeping	265,747	equal to	265,747	0	O.K.	Pg20 K28	A.	18	3	Pg3 E11	N/A	3	1
Staff- Laundry	56,890	equal to	56,890	0	O.K.	Pg20 K29	A.	19	3	Pg3 E12	N/A	4	1
Staff- Administrative	198,294	equal to	198,294	0	O.K.	Pg20 K30..K32	A.	20-22	3	Pg3 E28	N/A	17	1
Staff- Clerical	442,193	equal to	442,193	0	O.K.	Pg20 K33..K34	A.	23+24	3	Pg3 E32	N/A	21	1
Staff- Medical Director	0	equal to	0	0	O.K.	Pg20 K37	A.	27	3	Pg3 E18	N/A	9	1
Total Salaries And Wages	4,249,883	equal to	4,249,883	0	O.K.	Pg20 K44	A.	34	3	Pg4 E29	N/A	45	1
Dietary Consultant	9,979	< or = to	9,979	0	O.K.	Pg20 X12	B.	35	2	Pg3 G9	N/A	1	3
Medical Director	27,250	< or = to	27,250	0	O.K.	Pg20 X13	B.	36	2	Pg3 G18	N/A	9	3
Consultants & contractors	1,900	< or = to	7,882	-5,982	O.K.	Pg20 X14..X16+	B. & C.	37to39 and 50to5	2	Pg3 G19	N/A	10	3
Activity Consultant	3,384	< or = to	3,384	0	O.K.	Pg20 X21	B.	44	2	Pg3 G21	N/A	11	3
Social Service Consultant	2,813	< or = to	2,813	0	O.K.	Pg20 X22	B.	45	2	Pg3 G22	N/A	12	3
Supp. Sched.- Admin. Salar.	198,294	equal to	198,294	0	O.K.	Pg21 I16	A.	N/A	N/A	Pg3 E28	N/A	17	1
Supp. Sched.- Admin. Other	364,887	equal to	364,887	0	O.K.	Pg21 I24	B.	N/A	N/A	Pg3 G28	N/A	17	3
Supp. Sched.- Prof. Serv.	54,789	equal to	54,789	0	O.K.	Pg21 I41	C.	N/A	N/A	Pg3 G30	N/A	19	3
Supp. Sched.- Benefit/Taxes	582,290	equal to	582,290	0	O.K.	Pg21 P22	D.	N/A	N/A	Pg3 L33	N/A	22	8
Supp. Sched.- Sched of dues..	93,075	equal to	93,075	0	O.K.	Pg21 V22	F.	N/A	N/A	Pg3 L31	N/A	20	8
Supp. Sched.- Sched. of trav	5,433	equal to	5,433	0	O.K.	Pg21 V41	G.	N/A	N/A	Pg3 L35	N/A	24	8
Gen. Info - Particip. Fees	111,143	equal to	111,143	0	O.K.	Pg23 I38	N/A	11	N/A	Pg4 G25	N/A	42	3
Gen. Info - Employee Meals	10,745	< or = to	65,641	-54,896	O.K.	Pg23 S16	N/A	16	N/A	Pg3 K33	N/A	2 & 22	7
Gen. Info - Employee Meals	10,745	equal to	10,745	0	O.K.	Pg23 S16	N/A	16	N/A	Pg21 P12	D.	N/A	N/A
Nurse aide training	0	equal to	0	0	O.K.	Pg15 U29..U31	B.	3, 4 & 5	4	Pg3 E23	N/A	13	1
Days of medicare provided	7,469	equal to	7,926	-457	FAILED	Pg2 AB29	K.	N/A	N/A	Pg2 J30	B.	8	4
Adjustment for related org. costs	-810,103	equal to	-810,103	0	O.K.	Pg5 Z18	B.	34	1	Pg6 to Pg 6I Y4†	B.	14	8
Total loan balance	7,313,873	equal to	7,313,873	0	O.K.	Pg9 L34	A.	15	7	Pg17 V13+V27..	N/A	29+39-41	2
Real estate tax accrual	150,000	equal to	150,000	0	O.K.	Pg10 W15	B.	4	N/A	Pg17 V17	N/A	32	2
Land	511,353	equal to	511,353	0	O.K.	Pg11 T43	A.	3	4	Pg17 K25	N/A	13	2
Building cost	6,897,952	equal to	6,897,952	0	O.K.	Pg12 to 12I L43	B.	36	4	Pg17 K26+K27	N/A	14 & 15	2
Equipment and vehicle cost	782,329	equal to	782,329	0	O.K.	Pg13 O22+L13	C. & D.	41 + 46	1 + 4	Pg17 K28	N/A	16	2
Accumulated depr.	1,937,802	equal to	1,937,802	0	O.K.	Pg13 Y30	E.	51	2	Pg17 K29	N/A	17	2
End of year equity	-819,531	equal to	-819,531	0	O.K.	Pg18 I33	N/A	24	1	Pg17 S39	N/A	47	1
Net income (loss)	169,330	equal to	169,330	0	O.K.	Pg18 I15	N/A	7	1	Pg19 P30	N/A	43	2
Unamortized deferred maint. cost	351	equal to	351	0	O.K.	Pg22 F31-J31..S	H.	20	3	Pg17 K30	N/A	18	2
Balance Sheet	2,227,497	equal to	2,227,497	0	O.K.	Pg17:H41		25	1	Pg17 S41	N/A	48	1

	Salaries	Supplies	Other	Total	Reclass- ifications	Reclassified Total	Adjusted Adjustmen	Adjusted Total
1. Dietary	279,177	43,041	9,979	332,197	0	332,197	0	332,197
2. Food P	0	251,848	0	251,848	0	251,848	-11,025	240,823
3. Housek	265,747	33,015	0	298,762	0	298,762	698	299,460
4. Laundry	56,890	21,041	0	77,931	0	77,931	-5,475	72,456
5. Heat ar	0	0	189,858	189,858	0	189,858	3,731	193,589
6. Mainte	74,736	0	117,481	192,217	0	192,217	1,728	193,945
7. Other (	0	0	0	0	0	0	0	0
8. Total G	676,550	348,945	317,318	1,342,813	0	1,342,813	-10,343	1,332,470
9. Medical	0	0	27,250	27,250	0	27,250	0	27,250
10. Nursin	2,654,870	222,781	7,882	2,885,533	0	2,885,533	0	2,885,533
10a. Ther	0	0	634,428	634,428	0	634,428	0	634,428
11. Activi	202,639	15,761	3,384	221,784	0	221,784	0	221,784
12. Social	75,337	0	2,813	78,150	0	78,150	0	78,150
13. Nurse	0	0	0	0	0	0	0	0
14. Progr	0	0	0	0	0	0	0	0
15. Other	0	0	0	0	0	0	0	0
16. Total I	2,932,846	238,542	675,757	3,847,145	0	3,847,145	0	3,847,145
17. Admin	198,294	0	364,887	563,181	0	563,181	-364,887	198,294
18. Direct	0	0	0	0	0	0	0	0
19. Profes	0	0	54,789	54,789	0	54,789	397	55,186
20. Fees,	0	0	91,678	91,678	0	91,678	1,397	93,075
21. Cleric	442,193	37,249	26,437	505,879	0	505,879	17,154	523,033
22. Emplo	0	0	516,649	516,649	0	516,649	65,641	582,290
23. Inserv	0	0	823	823	0	823	0	823
24. Travel	0	0	2,504	2,504	0	2,504	2,929	5,433
25. Other	0	0	220	220	0	220	9,606	9,826
26. Insura	0	0	182,590	182,590	0	182,590	3,192	185,782
27. Other	0	0	0	0	0	0	0	0
28. Total C	640,487	37,249	1,240,577	1,918,313	0	1,918,313	-264,571	1,653,742
29. Total C	4,249,883	624,736	2,233,652	7,108,271	0	7,108,271	-274,914	6,833,357
30. Depre	0	0	34,394	34,394	0	34,394	232,867	267,261
31. Amort	0	0	0	0	0	0	0	0
32. Intere	0	0	47,300	47,300	0	47,300	357,378	404,678
33. Real E	0	0	0	0	0	0	167,981	167,981
34. Rent -	0	0	1,365,884	1,365,884	0	1,365,884	#####	0
35. Rent -	0	0	2,516	2,516	0	2,516	4,411	6,927
36. Other	0	0	0	0	0	0	0	0
37. Total C	0	0	1,450,094	1,450,094	0	1,450,094	-603,247	846,847
38. Medic	0	0	0	0	0	0	0	0
39. Ancill	0	165,387	46,200	211,587	0	211,587	0	211,587
40. Barbe	0	0	27,327	27,327	0	27,327	0	27,327
41. Coffee	0	0	5,919	5,919	0	5,919	0	5,919
42. Provid	0	0	111,143	111,143	0	111,143	0	111,143
43. Other	0	0	87,273	87,273	0	87,273	-87,273	0
44. Total S	0	165,387	277,862	443,249	0	443,249	-87,273	355,976
45. Grand	4,249,883	790,123	3,961,608	9,001,614	0	9,001,614	-965,434	8,036,180

	After	Consolidation
General Service Cost Center		
1. Cash on	62,029	92,853
2. Cash - F	0	0
3. Account	1,910,646	1,910,646
4. Supply I	0	0
5. Short-T	0	0
6. Prepaid	42,749	42,749
7. Other Pi	0	0
8. Account	9,350	9,350
9. Other (s	0	18,312
10. Total c	2,024,774	2,073,910
LONG TERM ASSETS		
11. Long-T	0	0
12. Long-T	8,085	8,085
13. Land	0	511,353
14. Buildin	0	6,418,908
15. Lease	180,195	479,044
16. Equipn	153,186	782,329
17. Accum	-138,743	#####
18. Deferre	0	351
19. Organi	0	0
20. Accum	0	0
21. Restric	0	0
22. Other I	0	0
23. other (:	0	57,240
24. Total L	202,723	6,319,508
25. Total A	2,227,497	8,393,418
CURRENT LIABILITIES		
26. Accour	312,369	312,369
27. Officer	0	0
28. Accour	428,298	428,298
29. Short-T	1,523,244	1,523,244
30. Accrue	262,860	262,860
31. Accrue	3,494	3,494
32. Accrue	0	150,000
33. Accrue	0	32,572
34. Deferre	0	0
35. Federa	0	0
36. Other (	516,763	95,092
37. Other (	0	0
38. Total C	3,047,028	2,807,929
LONG TERM LIABILITES		
39. Long-T	0	0
40. Mortga	0	5,790,629
41. Bonds I	0	0
42. Deferre	0	0
43. Other L	0	0
44. Other L	0	0
45. Total L	0	5,790,629
46. Total Li	3,047,028	8,598,558
47. Total E	-819,531	-205,140
48. Total Li	2,227,497	8,393,418

Balance per
Medicaid
Trial Balance

1. Gross F 8,359,342
2. Discour -607,327

Subtota 7,752,015
4. Day Ca 0
5. Other C 0
6. Therapy 1,094,999
7. Oxygen 0

Subtota 1,094,999
9. Paymer 0
10. Other 0
11. Nurse 0
12. Gift an 8,474
13. Barber 32,192
14. Non-P 280
15. Teleph 54
16. Rental 0
17. Sale o 199,374
18. Sale o 0
19. Labor 20,746
20. Radiol 4,944
21. Other 50,784
22. Laund 5,475

Subtot 322,323
24. Contril 0
25. Interest 342

Subtot 342
27. Other 1,265
28. Other 0
Subtot 1,265

30. Total F 9,170,944
31. Gener 1,342,813
32. Health 3,847,145
33. Gener 1,918,313
34. Owner 1,450,094
35. Specie 332,106
35. Provid 111,143
37. Other 0
40. Total E 9,001,614
41. Incom 169,330
42. Incom 0
43. Net In 169,330

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9 Line 16 for mortgage insurance.

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